DOCUMENT RESUME

ED 332 255 CS 507 465

AUTHOR Gottlieb, Stephen S.
TITLE Educating the Consumer about Advertising: Some Issues. ERIC Digest.
INSTITUTION ERIC Clearinghouse on Reading and Communication Skills, Bloomington, IN.
SPONS AGENCY Office of Educational Research and Improvement (ED), Washington, DC.
REPORT NO EDO-CS-91-07
PUB DATE 91
CONTRACT RI88062001
NOTE 4p.
AVAILABLE FROM ERIC Clearinghouse on Reading and Communication Skills, Indiana University, 2805 E. 10th St., Suite 150, Bloomington, IN 47408-2698.
PUB TYPE Information Analyses - ERIC Clearinghouse Products (071)

EDRS PRICE MF01/PC01 Plus Postage.
DESCRIPTORS *Advertising; *Consumer Education; Consumer Protection; Elementary Secondary Education; *Persuasive Discourse
IDENTIFIERS Advertisements; *Advertising Effectiveness; Channel One; ERIC Digests

ABSTRACT

Providing a basic overview of issues related to advertising and the consumer, this digest discusses the omnipresence of advertisements, suggesting ways for consumers to recognize advertising appeals. Deceptive advertising is discussed, with particular attention paid to financial advertising. (RS)

****
* Reproductions supplied by EDRS are the best that can be made *
* from the original document. *
****

ED332255

ERIC Digest

Clearinghouse on Reading and Communication Skills EDO-CS-91-07

Indiana University
2805 E. 10th St., Suite 150

D64

Bloomington, IN 47408-2698
(812) 855-5847

BEST COPY AVAILABLE

CS507445

U.S. DEPARTMENT OF EDUCATION
Office of Educational Research and Improvement
EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

X This document has been reproduced as received from the person or organization originating it.

☐ Minor changes have been made to improve reproduction quality.

• Points of view or opinions stated in this document do not necessarily represent official OERI position or policy.

ERIC Digest

Clearinghouse on Reading and Communication Skills EDO-CS-91-07

Indiana University
2805 E. 10th St., Suite 150

D64

Bloomington, IN 47408-2698
(812) 855-5847

Educating the Consumer about Advertising: Some Issues

by Stephen S. Gottlieb

Advertising can be defined as communication which promotes the purchase of products and services, and advertisements are pervasive in the American culture. Ads are sandwiched between programs on television, interspersed with popular songs on the radio, and scattered among news features in the daily paper. While advertisements may distract from a TV program or a newspaper's other messages, might they also serve a more positive purpose? Can advertising advance consumer knowledge? At the same time, can consumer education help people become more knowledgeable and critical about the goals of advertising? This digest provides a basic overview of issues related to advertising and the consumer.

Ads Are Everywhere

People sometimes complain about the perceived overabundance of advertising in daily life. While consumers are accustomed to ads on television and in magazines, commercial promotion appears to be cropping up in more and more places. A proposed cable TV channel (Channel One) for use in schools faltered when it was learned that the channel would carry commercials aimed at the students, but it now appears to be heading for success, even though school administrators are divided on its merits (Rist, 1989). A profile of Channel One founder, Chris Whittle, in "The New York Times" reported that, while many teachers and administrators extol the value of the newscast which Channel One presents, others will never accept the infusion of commercialism in the schools. Whittle, however, has already signed up the 8600 schools he needed to cover his capital costs and achieve the audience size he felt would interest advertisers (Kleinfield, 1991).

Advertising is also found in some of the free curriculum materials which businesses supply to schools. A content analysis of materials within the areas of nutrition, energy, and economics education revealed that business-sponsored materials were found to contain significantly more advertising statements than did non-business-sponsored materials. Additionally, sponsored materials contained significantly more references to brand names/models and more company/brand logos and names than did non-sponsored materials. Many educators believe that the value of these materials is suspect, because of the preponderance of the commercial message over the informational content (Rudd 1986).

Each time a new communications technology is developed, merchants are quick to devise ways of exploiting the medium for advertising purposes. Advertisers move rapidly to exploit the commercial possibilities of radio, television and cable. Facsimile machines are now used to transmit ads. Sports arenas' and stadiums' electronic scoreboards carry product names in yards-high lettering. The developing technologies of teletext, electronic mail, and interactive cable television are now being used to sell products as well. Research suggests that as a result of these developments, advertising is now less likely to contain meaningful product information, and more likely to be intermingled with other kinds of messages (Sepstrup 1986). Consumers, as the targets of these increasingly complex promotional strategies, must become much more aware of the persuasive nature of advertising.

Recognizing Advertising Appeals

Advertising serves some very important purposes. It promotes competition among producers of products and services, keeps prices low through the development of mass markets, encourages store owners to stock a variety of items, supports free expression by funding media sources, and spurs invention. In theory, access to all available information on a given product should promote all of these ends and allow a consumer to make the most intelligent possible product purchase decisions. In practice, no one takes the time to gather that many facts. The amount of information needed to make a knowledgeable product purchase depends on such considerations as the cost of the product and the difficulty of obtaining further data. At some point, the cost of the additional information will exceed the value of the product. Intelligent consumers learn to balance these factors, and students can cultivate

Stephen S. Gottlieb is an attorney, a graduate of Indiana University law school, and has extensive experience in broadcast journalism.

CS507425

this skill through appropriate learning exercises (South Carolina 1983).

The average person is exposed to dozens of advertisements every day. A student may not appreciate just how influential advertising is until confronted with large numbers of familiar slogans, logos, and characters taken directly from the ads. Teachers can encourage students to identify advertisements and examine their content. Students must learn to separate facts from images, and to tell the difference between what the ads imply and what they actually say (Hawaii 1982). It is possible to identify many kinds of advertising appeals (snob appeal, statistics, humor, etc.), and even elementary school children can learn to recognize these. The students can gain an appreciation of the diversity of advertising appeals through discussion, analysis of commercial messages, creation of advertisements for imaginary products, and other classroom activities (Dianna 1983; Garrahy 1982).

Unscrupulous advertisers will sometimes advertise products that are just too good to be true. The Latin maxim, "caveat emptor," which means "let the buyer beware," is an important phrase to keep in mind when making consumer purchases. A child can learn that purchasers do not ordinarily get something for nothing. It is preferable if the child grasps this lesson before getting cheated, rather than afterwards. Teachers should encourage students to scan the daily newspaper or television for ads that do not ring true (Greenup 1983). The more exposure a child has to the motivations that lie behind questionable advertising methods, the less likely it will be that the child will be fooled by such tactics.

The relationship between advertising and consumer knowledge has been the subject of much study. Interestingly, there does not appear to be a necessary connection between the amount of advertising to which a child is exposed and that child's consumer knowledge. In fact, one study indicates that the viewing of television advertising may render an adolescent more susceptible to inflated advertising claims. At the same time, consumer education courses appear to increase student dissatisfaction with the marketplace, suggesting that such courses increase awareness of unfair business practices (Moschis 1983).

Truth in Financial Advertising

Consumer vulnerability to deceptive advertising is particularly acute in the area of financial services. Individuals often have little knowledge of the workings of credit, leases, security agreements, and so on. It is sometimes difficult to obtain information on such subjects that would be meaningful to the average consumer, so it is especially important that consumers be on guard against misleading or fraudulent advertisement. Because of the great inequality of bargaining power in this area, the government often backs up the consumer with protective laws.

The desire for accurate information regarding consumer borrowing has been the driving force behind a great deal of legislation in Congress and in the legislatures of the 50 states. Regulations such as the federal Truth in Lending Law are designed to protect individuals from misleading practices by loan institutions. An important portion of the law provides that if one feature of a credit arrangement is mentioned in advertising, other important loan terms must also be explained. Similar provisions in the Consumer Leasing Act protect consumers who enter into lease agreements. The intent of these laws is to extend the government's help to the making of informed decisions on difficult financial matters (Fed. Res. 1981, 1983).

References

Board of Governors of the Federal Reserve System. "Truth in Leasing." February 1983, 5p. [ED 235 072]

Board of Governors of the Federal Reserve System. "What Truth in Lending Means to You." June 1981, 5p. [ED 235 071]

Dianna, Michael A. "Buy, Buy, Buy: How to Recognize Advertising Appeals." 1983, 6p. [ED 242 573]

Garrahy, Dennis J. "Consumerism Theme." California: Vista Unified School District, 1982, 63p. [ED 241 441]

Greenup, Tess. "Newspaper Activities for Young Consumers." Albuquerque: *Albuquerque Tribune-Journal* (Newspapers in Education project), 1983, 17p. [ED 246 002]

Hawaii State Dept. of Education. "Consumer Education (A High School One-Semester Course)." December 1982, p24-27. [ED 238 791]

Kleinfield, N. R. "What is Chris Whittle Teaching Our Children?" *New York Times* (Magazine), May 19, 1991.

Moschis, George P. and Roy L. Moore. "A Longitudinal Study of Consumer Socialization." Paper presented at the Annual Meeting of the Association for Education in Journalism and Mass Communication, Corvallis, OR, 1983, 16p. [ED 232 179]

Rist, Marilee C. "Mass Marketers Have a Sweet Deal for You, but There Are Strings Attached." *American School Board Journal* (176) 9 September 1989, p20-24. [EJ 395 084]

Rothenberg, Randall. "Ad Scenes: An Intimate Warning against Mediocrity." *New York Times*, June 17, 1991.

Rudd, Joel. "Commercial and Advertising Content in Free Consumer Curriculum Materials." Paper presented at the Annual Meeting of the American Educational Research Association, San Francisco, CA, 1986, 6p. [ED 273 554]

Sepstrup, Preben and Folke Olander. "Consumer Information in the Electronic Media: Neutral Information, Advertising, Selling. Working Paper No. 4." Denmark: Aarhus School of Administration and Economics, August 1986, p24-33. [ED 278 367]

South Carolina State Dept. of Consumer Affairs. "Advertisements Demand Sense." 1983, p8-13. [ED 249 121]

This publication was prepared with funding from the Office of Educational Research and Improvement, U.S. Department of Education, under contract no. RI88062001. Contractors undertaking such projects under government sponsorship are encouraged to express freely their judgment in professional and technical matters. Points of view or opinions, however, do not necessarily represent the official view or opinions of the Office of Educational Research and Improvement.